

**Statement of Chairman Dana Rohrabacher**  
**Joint Oversight and Investigations**  
**-MECA Subcommittee Hearing**  
**Syria and the Oil-for-Food Program**  
**July 27, 2005**

This Subcommittee has held a number of hearings this year on the Oil-for-Food program. This hearing, held jointly with the Middle East Subcommittee will examine the role of Syria in the program.

Despite the historic enmity between Syria and Iraq both countries managed to profit from the manipulation of the UN sanctions on Iraq.

Today, we want to discuss two concerns: first, the actions of the Commercial Bank of Syria (CBS), which facilitates kickbacks for suppliers and buys participation in the UN Oil-for-Food Program; and second, Syrian complicity in the purchase of weapons in direct violation of the Oil-for-Food program.

Evidence suggests that the CBS was the recipient of the proceeds of more than \$1.8 billion in oil sales from June 2000 to February 2003. These funds were deposited into accounts controlled by Iraq's State Oil Marketing Organization (SOMO) at the CBS. A trade protocol established between Syria and Iraq in 2000 was the basis for these ongoing transactions.

Unseen, however, was an additional \$1.2 billion in oil money that was at times put into another account at the CBS. These funds were used to pay for trade between the two countries, including weapons that were very likely used against our troops in Iraq.

Part of this scheme included a procedure for these funds to be automatically transferred through a secretive routes to the Central Bank of Iraq. In one case, Committee investigators spoke to an Iraqi courier that transported a payment worth millions of dollars in gold bars by car back to Baghdad.

Treasury Department officials told Congress in January that Syrian officials had thus far failed to return all the Iraqi funds. There needs to be a full accounting and reappraisal of Syrian cooperation with US demands for the return of these funds to Iraq. This is cloak and dagger stuff.

While Syria acted as Iraq's banker, some of its highest officials brokered military deals for Iraq and profited from them as well. One source suggests that former Syrian Defense Minister Mustapha Tlas received a regular "tribute payment" for his role in the deals between the two countries. Anything shipped had to receive his approval in order to be allowed through Syrian Customs.

Tlas' son Firas also received 10-15% kickbacks for contracts made through Iraq's Military Industrial Commission (MIC). In addition to Tlas, Thualhima Shaleesh, Chief of the Presidential Bodyguard and cousin of Syrian President Bashar Assad also received these kickbacks for acting as intermediaries in military deals.

Understanding these facts, Syria's denials of its help to Iraq, is let us say, suspect. One must also suspect that such help is still continuing today perhaps in support for Iraq's insurgency, which is making its bloody presence felt to the Iraqi people.

Today, the representatives of our State Department should tell us what the United States is doing to stop Syria from aiding the insurgents and destabilizing Iraq and to return the funds it helped Iraq steal from the Oil-for-food program.

Bashar Assad, the President of Syria said in a recent *New York Times* interview that "when you talk about upgrading society, you talk about [being] open-minded..." President Assad should demonstrate this open-mindedness and start seriously cooperating with the United States.